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C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 001663

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SUBJECT: FORMER PRIME MINISTER SURYA THAPA WORRIED ABOUT
THE EIGHT-POINT AGREEMENT AND POSSIBLE MAOIST-LED GOVERNMENT

REF: BEIJING 13004

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

SUMMARY

11. (C) In a June 22 meeting with the Ambassador, Surya Bahadur Thapa, chairman of the Rastriya Janashakti Party (RJP) and five-time Prime Minister, condemned the eight-point agreement that Prime Minister G. P. Koirala had signed with Maoist chairman Prachanda on June 16. He stressed that the political parties must rethink their strategy and suggested that PM Koirala utilize political party members who could create and manage a solution. He described the havoc in Nepal and the region that would occur if the Maoists were in power. The Ambassador informed Thapa that under the Patriot Act, the United States would likely have to cease all assistance to Nepal if the Maoists were to join the government before laying down their arms. The Ambassador noted that the government had the people's support to stop making concessions to the Maoists and said that we would continue to emphasize that point to the seven parties. End summary.

THUMBS DOWN FOR EIGHT-POINT AGREEMENT

12. (C) In a June 22 meeting, Thapa told the Ambassador that he was apprehensive about what would come from the eight-point agreement, which he described as a "suicidal blunder." Thapa said that if the agreement proceeded without modification, the Maoists would take over the government from the inside within six months. Thapa, referring to PM Koirala's regret about the eight-point agreement (septel), said that the government would be a lost cause if it did not attempt to make corrections. The unmodified eight-point agreement would lead to a Nepal bereft of democracy, stripped of the monarchy, and controlled by terrorists. He noted that the government had two important institutions at its advantage--the army and the civil service--and that it should refrain from disturbing their operations or meddling with personnel assignments.

THE GOVERNMENT CAN DO BETTER

13. (C) Thapa insisted that a Maoist government was not inevitable if Parliament reorganized its strategy. He suggested that PM Koirala exploit the talents of the many intelligent, imaginative people in the different political parties who were capable of managing a Maoist solution and form a private forum for discussion. Thapa said that a new democratic front would not have to be a public spectacle but could take place in a private forum. He judged that King Gyanendra was no longer a threat to the government and agreed with the Ambassador that the political parties--once the weakest corner of the King/Maoist/Parties triangle--needed to realize that they were now stronger than the Maoists. The Nepali people were not demanding that the government make concessions to the Maoists, and doing so only made the GON look weaker.

MAOISTS IN THE GOVERNMENT BAD FOR REGIONAL AFFAIRS

14. (C) Thapa explained that a Maoist-infiltrated government would have serious regional implications, particularly for Bangladesh and India (each fighting its own insurgencies), as well as Bhutan and China (each requiring the cooperation of the Nepalese government; Bhutan because of the refugee issue and China because of the issue of Tibetan sovereignty). Thapa said that the Chinese government was debating its policy of non-interference in Nepal's affairs; he speculated that China could be tempted to support Maoist entry into the government, if the Maoists agreed to honor China's position on Tibet. Thapa cautioned that a Chinese alliance with Nepal--which traditionally had been under the influence of India--would upset the balance of power in the region. He noted that the government of India (GOI) had always painted

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Nepal's political woes as an internal situation. Now the GOI had realized that, if they seized power, the Maoists would support international terrorism, especially in India.

AMBASSADOR CAUTIONS MAOISTS IN GOVERNMENT COULD AFFECT USG ASSISTANCE

15. (C) The Ambassador stated that the United States would likely have to cease all types of economic and military assistance to Nepal if the Maoists were to join the government before disarming; the U.S. Patriot Act prohibits support of proscribed terrorist organizations, the Ambassador amplified. Thapa stressed the importance of the roles the United States and India could play by bolstering support for PM Koirala and encouraging the Nepalese government to strengthen its resolve against the Maoists.

COMMENT

16. (C) Surya Bahadur Thapa is a veteran Nepalese politician. He understands that the government has placed itself in a precarious position but could still easily prevail if only it would use its resources effectively. His comments on the PRC's being tempted to play with the Maoists in return for the insurgents' support on Tibet appear to have some plausibility in light of recent conversations in Beijing (reftel) and reporting in other channels.

BIO NOTE

17. (C) Surya Bahadur Thapa has been highly visible on the Nepali political scene for forty years. As Prime Minister (1963-64, 1965-69, 1979-83, 1997-98, and 2003-04) he was known for his statesmanlike approach and his iron-fisted use of executive power. Intelligent, articulate, and wily, Thapa is known for his combative and often colorful public rhetoric, but he is courteous in private conversation, especially with foreigners.

18. (C) Thapa joined the Nepali Congress Party in 1954 and since then has repeatedly changed parties, alliances, and slogans. He formed the Rastriya Prajantantra Party (RPP) in 1990 to integrate the Panchayat-era groups that had joined the palace to resist the restoration of democracy. During his tenure as party president (1991-2002), Thapa changed from champion of the party-less Panchayat system to advocate for multiparty democracy. In March 2005, Thapa broke away from the RPP to form the RJP.

19. (C) Thapa was born on March 21, 1928, into an affluent, land-owning Chhetri (warrior class) family in the eastern district of Dhankuta. He was a better-than-average student at India's Allahabad University. He is married with four grown children, a son and three daughters. He enjoys reading and gardening. In addition to his native Nepali, which he prefers, Thapa can make himself well-understood in English and Hindi.
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